

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DIANA PAUGELS,

Plaintiff,

V.

HARTFORD LIFE AND
ACCIDENT INSURANCE CO.,

Defendant.

FILED: APRIL 1, 2008
No. 08CV1861 TG

JUDGE MORAN

MAGISTRATE JUDGE SCHENKIER

COMPLAINT

Now comes the Plaintiff, DIANA PAUGELS, by her attorneys, MARK D. DE BOFSKY, and DALEY, DE BOFSKY & BRYANT, and complaining against the Defendant, HARTFORD LIFE AND ACCIDENT INSURANCE CO., she states:

Jurisdiction and Venue

1. Jurisdiction of this Court is based upon the Employee Retirement Income Security Act of 1974 (ERISA); and, in particular, 29 U.S.C. §§1132(e)(1) and 1132(f). Those provisions give the district court jurisdiction to hear civil actions brought to recover benefits due under the terms of an employee welfare benefit plan which, in this case, consists of a group long-term disability insurance plan underwritten and insured by Hartford Life and Accident Insurance Co. (“Hartford”) for the benefit of employees of Wal-Mart Stores, Inc. (“Wal-Mart”).

2. The ERISA statute provides, at 29 U.S.C. §1133, a mechanism for administrative or internal appeal of benefit denials. Those avenues of appeal have been exhausted.

3. Venue is proper in the Northern District of Illinois. 29 U.S.C. §1132(e)(2), 28 U.S.C. §1391.

Nature of Action

4. This is a claim seeking disability income benefit payments to Plaintiff pursuant to a policy of group long-term disability insurance (a true and correct copy of which is attached hereto and by that reference incorporated herein as Exhibit “A”) underwritten and insured by Hartford under Policy No. GLT205215 for the benefit of employees of Wal-Mart. This action, seeking recovery of benefits, is brought pursuant to §502(a)(1)(B) of ERISA (29 U.S.C. §1132(a)(1)(B)).

The Parties

5. The Plaintiff, Diana Paugels (“Paugels”) (DOB 3/xx/55), is and was a resident of Yorkville, Illinois at all times relevant hereto.

6. The Defendant, Hartford, is the underwriter and insurer of a Long-Term Disability Plan (“Plan”), Group Policy Number GLT205215, issued to Wal-Mart for the benefit of its employees. At all times relevant hereto, Hartford was engaged in the business of insurance and in the administration of benefits under the aforementioned policy of insurance within the Northern District of Illinois.

7. At all times relevant hereto, the Plan constituted an “employee welfare benefit plan” as defined by 29 U.S.C. §1002(1); and incident to her employment with Wal-Mart, Paugels received coverage under the Plan as a “participant” as defined by 29 U.S.C. §1002(7). This claim relates to benefits under the foregoing Plan.

Statement of Facts

8. Paugels was employed as an Invoice Clerk for Wal-Mart until April 29, 2005, when she was forced to cease working due to the combined effects of vasovagal syncope and orthostatic hypotension (dizziness and fainting), depression, fibromyalgia, chronic back and joint pain, diabetes, and asthma. Paugels has not been actively employed since that date.

9. Subsequent to ceasing her employment, Paugels made a claim for long-term disability (LTD) benefits under the Plan. Hartford awarded Paugels LTD benefits and began paying those benefits on November 21, 2005. Pursuant to the Plan, long-term disability is defined as follows:

Total Disability or Totally Disabled means that:

- 1) during the Elimination Period; and
- 2) for the next 12 months, you are prevented by:
 - (a) accidental bodily injury;
 - (b) sickness;
 - (c) Mental Illness;
 - (d) Substance abuse; or
 - (e) Pregnancy,

from performing the essential duties of your occupation, and are under the continuous care of a Physician and as a result you are earning less than 20% of your Pre-disability Earnings, unless engaged in a program of Rehabilitative Employment approved by us.

After that, you must be so prevented from performing the essential duties of any occupation for which you are qualified by education, training or expertise.

Plan p. 5 (Exhibit A).

10. Concurrent with her claim for disability benefits, Paugels also applied for Social Security disability benefits. Paugels has since been awarded Social Security benefits and continues to receive them, signifying a finding by the Social Security Administration that she is unable to engage in “any substantial gainful activity.” 42 U.S.C. §423(d)(1)(A) (definition of disabled under Social Security Act).

11. Despite overwhelming evidence demonstrating Paugels’s ongoing disability under the Plan, Hartford terminated her benefits on November 22, 2006, stating she was no longer eligible for LTD benefits because she was not unable to perform the essential duties of “any” occupation. As the basis for its decision, Hartford relied upon the reports of physicians who

merely reviewed Paugels's file without examining her even though reliance on non-examining doctor reports deprive the plaintiff of due process and a full and fair review of her claim.

12. After being notified that Hartford terminated her LTD benefits, Paugels submitted an appeal of the decision, supporting the appeal with additional medical evidence from her treating physicians and other substantial evidence. However, on August 27, 2007, Hartford upheld its decision to terminate Paugels's LTD benefits, again relying on the reports of psychiatrists who reviewed Paugels's medical records without examining her. Hartford also refused to alter its decision following submission of the entire Social Security claim record with a request that it be considered. Such actions constitute a breach of the fiduciary duty owed to Paugels in accordance with 29 U.S.C. § 1104(a)(1).

13. All required and voluntary pre-suit appeals seeking reinstatement of benefits have now been exhausted.

14. The determination by Hartford is contrary to the terms of the Plan and has no rational support in the evidence. The decision is also contrary to the reports and assessments of all treating physicians; and by relying on the opinion of physicians and others who never examined the plaintiff, Hartford has denied Paugels due process of law since its determination was based on hearsay evidence that cannot constitute substantial evidence in a civil action brought pursuant to 29 U.S.C. § 1132(a)(1)(B).

15. As a direct and proximate result of the foregoing, based on the evidence submitted to Hartford establishing Paugels has met and continues to meet the Plan's disability definitions, Paugels is entitled to all benefits due since November 2006, and such benefits must continue until she recovers from disability, dies, or reaches the age of 65, whichever comes first.

WHEREFORE, Plaintiff prays for the following relief:

A. That the court enter judgment in Plaintiff's favor and against Defendant and that the court order Defendant to pay disability income benefits to Plaintiff in an amount equal to the contractual amount of benefits to which she is entitled;

B. That the court order Defendant to pay Plaintiff prejudgment interest at a rate of 9% per annum on all benefits that have accrued prior to the date of judgment in accordance with 215 ILCS 5/357.9 or 5/357.9a;

C. That the court determine and then declare that Defendant is required to continue paying Plaintiff benefits so long as she meets the policy terms and conditions for receipt of benefits;

D. That the court award Plaintiff attorney's fees pursuant to 29 U.S.C. §1132(g); and

E. That Plaintiff recover any and all other relief to which she may be entitled, as well as the costs of suit.

Dated: March 31, 2008

Mark D. DeBofsky
Daley, DeBofsky & Bryant
55 W. Monroe St., Suite 2440
Chicago, Illinois 60602
(312) 372-5200
FAX (312) 372-2778

/s/ Mark. D. DeBofsky
One of the attorneys for Plaintiff

AMENDMENT TO GROUP POLICY 205215 AND 24554 ON APRIL 6, 2005. ANY CHANGES BETWEEN THIS POLICY AND THE PREVIOUSLY ISSUED POLICY ARE EFFECTIVE JANUARY 1, 2005. ALL OTHER TERMS, CONDITIONS AND DATES REMAIN UNCHANGED.

Name of Policyholder: WAL-MART STORES, INC.

Policy Number:
GRH/GLT-205215
GLT-24554

Effective Date:
January 1, 1998

Place of Delivery:
Delaware

Anniversary Dates:
January 1 of each year, beginning in 1999.

Premium Due Dates:
Monthly, on the first day of each policy month.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
200 Hopmeadow Street, Simsbury, Connecticut 06089

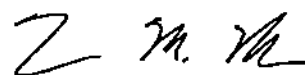
(A stock insurance company, herein called Hartford Life)

Agrees with the Policyholder to insure certain persons who are entitled to the insurance provided by this policy. This policy is issued in consideration of the application of the Policyholder, and the payment of the first premium. The first premium is due and payable on the effective date of the policy. Subject to the policy's grace period provision, all premiums after the first must be paid when or before they are due.

Signed for Hartford Life:



Christine Hayer Repasy, *Secretary*



Thomas M. Marra, *President*

Countersigned by _____
Licensed Resident Agent

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PARTICIPANT EMPLOYERS

An employer may be included as a Participant Employer if the Policyholder and Hartford Life so agree. Hartford Life will keep a list of accepted Participant Employers and the effective dates of coverage for each.

The Policyholder may act for or on behalf of all Participant Employers in all matters of the policy. The following will be binding on all Participant Employers:

- all agreements between Hartford Life and the Policyholder;
- all notices from Hartford Life to the Policyholder; and
- all notices from the Policyholder to Hartford Life.

An employee of a Participant Employer will be deemed to be an employee of the Policyholder for insurance purposes.

Coverage for a Participant Employer will terminate on the first to occur of:

- the date his premium is due, but not paid; or
- the date on which the Policyholder wants the employer to be removed from the policy. Such date must be stated in written notice to Hartford Life, and must be after the date of the notice.

INCORPORATION PROVISION**Booklet-Certificate**

The Booklet-certificate(s), and the endorsement form(s) enclosed therein, attached to this Policy are hereby incorporated in, and made a part of, this policy.

Booklet Form(s):

BC-7461 5th Rev.

Endorsement Form(s):

GR-2025(496)A-HLA 7461 4th Rev. (AR)
 GR-2025(496)A-HLA 7461 4th Rev. (MA)
 GR-2025(496)A-HLA 7461 4th Rev. (MN)
 GR-2025(496)A-HLA 7461 4th Rev. (NC)
 GR-2025(496)A-HLA 7461 4th Rev. (NH)
 GR-2025(496)A-HLA 7461 4th Rev. (NJ)
 GR-2025(496)A-HLA 7461 4th Rev. (KS)
 GR-2025(496)A-HLA 7461 4th Rev. (MO)
 GR-2025(496)A-HLA 7461 4th Rev. (AL)
 GR-2025(496)A-HLA 7461 4th Rev. (NY)
 GR-2025(496)A-HLA 7461 4th Rev. (VA)
 GR-2025(496)A-HLA 7461 4th Rev. (MS)
 GR-2025(496)A-HLA 7461 2nd Rev. (CA)
 GR-2025(496)A-HLA 7461 2nd Rev. (TX)
 GR-2025(496)A-HLA 7461 2nd Rev. (VT)
 GR-2025(496)A-HLA 7461 2nd Rev. (OK)
 GR-2025(496)A-HLA BC 7461 5th Rev. (No. 2 Rev. 4)
 GR-2025(496)A-HLA BC 7461 5th Rev. (No. 6)
 GR-2025(496)A-HLA BC-7461 5th Rev. (No. 9)
 GR-2025(496)A-HLA BC-7461 5th Rev. (No. 8)
 GR-2025(496)A-HLA BC 7461 5th Rev. No. 1
 GR-2025(496)A-HLA BC 7461 5th Rev. No. 4
 GR-2025(496)A-HLA BC 7461 5th Rev. No. 5
 GR-2025(496)A-HLA BC 7461 5th Rev. (No. 3 Rev. 3)
 GR-2025(496)A-HLA BC-7461 5th Rev. (No. 7)

The terms found in the Booklet-certificate(s) will control:

- the benefit plan provisions;
- the eligibility and effective date of insurance rules;
- the termination of insurance rules;
- exclusions; and
- other general policy provisions pertaining to state insurance law requirements.

SCHEDULE OF INSURANCE

Schedule of Insurance

The Schedule(s) of Insurance for Group Insurance Policies GRH/GLT-205215 and GLT-24554 listed below:

- Short Term Disability Insurance
- Long Term Disability Insurance

are shown in Booklet-certificate(s) BC-7461 5th Rev..

The Schedule(s) of Insurance will control the:

- benefit amounts and maximum limits;
- eligibility and effective date rules; and
- other schedule amounts and limits,

which apply to the employees of the Policyholder.

PREMIUMS**Monthly Premium Rates**

The monthly premium rates to be charged for employee Coverage and/or child/spouse coverage, if applicable, will be:

Short Term Disability Benefits

Hourly Employee

for each \$100 of covered payroll the monthly premium rate shall be determined as follows:

Employee Age	Rate
Less than 30	\$.79
30 - 34	\$.82
35 - 39	\$.67
40 - 44	\$.69
45 - 49	\$.77
50 or over	\$1.18

STD Plus

Single

Family

\$.75 per Employee

\$1.75per Employee

Long Term Disability Benefits

for each \$100 of covered payroll the monthly premium rate shall be determined as follows:

Employee Age	Rate
Less than 30	\$.18
30 - 34	\$.36
35 - 39	\$.40
40 - 44	\$.56
45 - 49	\$.67
50 or over	\$.86

For Long Term Disability Benefits, the amount of an employee's Earnings which is disregarded in determining his Monthly Benefit because of the Maximum Monthly Benefit limitation will also be disregarded in determining the amount of the total insured payroll.

The Monthly Premium Rates may be converted as follows:

To Convert Rates to:

-- annual rates

-- semi-annual rates

-- quarterly rates

Use a Conversion Factor of:

11.8227

5.9557

2.9852

PREMIUMS
(Continued)

Calculation

Premiums may be calculated by multiplying the rate times the applicable number of units of coverage.

If any insurance is added, increased or becomes effective after the policy is in force, the premium charges will begin:

- the day the coverage is effective, if it is also the first day of a policy month; or if not
- the first day of the next policy month.

For insurance which is terminated, premium charges will stop as of the first day of the next policy month.

Premiums may be calculated by any other method which both Hartford Life and the Policyholder agree to in writing.

PREMIUMS
(Continued)

Premium Payments

Premium payments are due and payable in full to a place designated by Hartford Life or, with respect to the initial premium payment, premium payments may be made to an authorized agent of Hartford Life.

Payment of premiums for a period before it is due will not guarantee the insurance for that period.

Experience Rating

If the policy is experience rated, any credit amount due the Policyholder will be allowed him on the Policy Anniversary Date and, at the Policyholder's request, will be:

- paid to him in cash;
- used to reduce his premiums; or
- used to provide additional insurance for Covered Persons.

Any credit amount shall be determined by the rating plan or plans used by Hartford Life.

POLICY PROVISIONS

Entire Contract

The contract between the parties consists of:

- the policy;
- the application of the Policyholder, a copy of which is attached to and made a part of the policy when issued; and
- the applications, if any, of each insured person.

All statements made by the Policyholder, Participant Employers, and persons insured under the policy are true and complete to the best of the knowledge and belief of the person(s) making them. No statement will be used in any contest unless it is in writing and a copy of it is given to the person who made it, or to his beneficiary.

Incontestability

Except for non-payment of premium, the insurance provided by the policy cannot be contested after such insurance has been in effect for a period of 2 years.

Change in The Policy

No change may be made unless approved in writing by the President; or a Vice President; an Assistant Vice President; a Secretary; or an Assistant Secretary of Hartford Life. No other person may change or waive any part of the policy. Any approved change shall be added to the policy in writing.

If any change to state or federal law, including but not limited to the Federal Social Security Act, affects Hartford Life's liability under the policy, Hartford Life may change the policy, the premiums or both. Such change:

- will be effective as of the date of the change to the state or federal law;
- will not be made until Hartford Life gives the Policyholder 31 days notice.

Right to Amend

Notwithstanding the above, after the policy has been in force for 12 months, Hartford Life may change any or all of the provisions of this contract by notifying the Policyholder. Hartford Life must give the Policyholder at least 31 days advance written notice of any change.

Grace Period

Hartford Life will allow the Policyholder a 60 day grace period for the payment of all premiums after the first. During this 60 day period, the policy will stay in force. If the owed premium is not paid by the 60th day, the policy will automatically terminate. If the Policyholder gives Hartford Life written advance notice of an earlier cancellation date, the policy will terminate on the earlier date. Premium is due for each day the policy is in force.

POLICY PROVISIONS
(Continued)

Termination of Policy

Hartford Life may terminate the policy for the following reasons by giving the Policyholder 31 days written notice:

- The Policyholder fails to furnish any information which Hartford Life may reasonably require;
- The Policyholder fails to perform any of his other obligations pertaining to this policy;
- Less than 100% of the persons eligible for coverage on a Non-contributory Basis are insured; or
- Less than 75% of the persons eligible for coverage on a Contributory Basis are insured.
- Fewer than 10 persons are insured.

In addition, Hartford Life may terminate this policy on any premium due date after the policy has been in force for 12 months.

Certificate

Hartford Life will give the Policyholder an individual Booklet-certificate for each insured employee. The Booklet-certificate is part of the policy, and will explain the important features of the policy.

Data To Be Furnished

The Policyholder will give Hartford Life all information Hartford Life needs regarding matters pertaining to the insurance. At any reasonable time while the policy is in force and for 1 year after that, Hartford Life may inspect any of the Policyholder's documents, books, or records which may affect the insurance or premiums of this policy.

If the Policyholder gives Hartford Life any incorrect information, the relevant facts will be determined to establish if insurance is in effect and in what amount.

No person will be deprived of insurance to which he is otherwise entitled or have insurance to which he is not entitled, because of any misstatement of fact by the Policyholder. Any required adjustment may be made in premiums or benefits.

No Replacement for Workers' Compensation

The policy does not replace Workers' Compensation or affect any requirement for Workers' Compensation coverage.

Time Period

All periods begin and end at 12:01 A.M., standard time, at the Policyholder's address.

Jurisdiction

This policy is governed by the laws of the state where it is delivered.

RIDER

This Rider is attached to and made a part of Group Policy No. GRH/GLT-205215 issued by the HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY to the POLICYHOLDER,

WAL-MART STORES, INC.

It is understood and agreed that the endorsement form shown below is hereby removed from, and is no longer a part of, this Policy:

Endorsement Form:

GR-2025(496)A-HLA BC 7461 5th Rev. (No. 2 Rev.)

It is understood and agreed that the endorsement form shown below is hereby incorporated in, and made a part of, this Policy:

Endorsement Form:

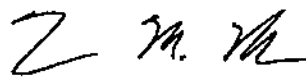
GR-2025(496)A-HLA BC 7461 5th Rev. (No. 2 Rev. 2)

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, or provisions of the policy, other than as herein stated.

This rider is signed by the HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY, corrected on December 12, 2003, with any changes between this Rider and the previously issued Rider to take effect as of January 1, 2002.



Christine Hayer Repasy, *Secretary*



Thomas M. Marra, *President*

Countersigned by _____
Licensed Resident Agent

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GLT-024554
GRH/GLT-205215

Effective Date: January 1, 2005

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

With respect to All Active Full-time Associates, Your Booklet-certificate is amended to read as follows:

1. The definition of Actively at Work shown in the Definitions section of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

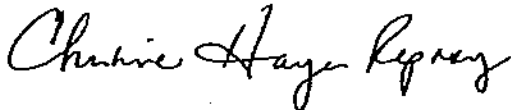
Actively at Work

You will be considered to be actively at work with the Company on a day which is one of your scheduled work days if you are performing, in the usual way, all the regular duties of your job on a full time basis on that day. You will be deemed to be Actively at Work on a day which is not one of your regularly scheduled days only if you were Actively at Work on the preceding scheduled work day.

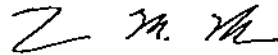
2. The definition of Actively at Work shall be included in the Definitions section of the Short Term Disability portion of Your Booklet-certificate:

Actively at Work

You will be considered to be actively at work with the Company on a day which is one of your scheduled work days if you are performing, in the usual way, all the regular duties of your job on a full time basis on that day. You will be deemed to be Actively at Work on a day which is not one of your regularly scheduled days only if you were Actively at Work on the preceding scheduled work day.



Christine Hayer Repasy, *Secretary*



Thomas M. Marra, *President*

**HARTFORD LIFE AND ACCIDENT INSURANCE
COMPANY**
Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

Effective Date: January 1, 2005

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

With respect to All Active Full-time Employees, Your Booklet-certificate is amended as follows:

1. The Total Disability or Totally Disabled definition shown in the Plan of Insurance section of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

Total Disability or Totally Disabled means that:

1. during the Elimination Period; and
2. for the next 12 months, you are prevented by:
 - a) accidental bodily injury;
 - b) sickness;
 - c) Mental Illness;
 - d) Substance Abuse; or
 - e) pregnancy,

Christine Hayer Repasy, Secretary

Thomas M. Marra, President

GR-2025(496)A-HLA BC 7461 5th Rev. (No. 8)

12-'04

from performing the Essential Duties of Your Occupation, and are under the care of a Physician and as a result you are earning less than 20% of your Pre-disability Earnings, unless engaged in a program of Rehabilitative Employment approved by us.

After that, you must be so prevented from performing the essential duties of any occupation for which you are qualified by education, training, or experience.

"Your Occupation" includes similar job positions with the Employer, which may be offered to you, with a rate of pay 50 % or greater of your Indexed Pre-disability Earnings.

2. The provision entitled "Definition for this Benefit" shown in the Benefits section of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:

Definition for this Benefit

Totally Disabled means that you are unable to do the material and substantial duties of your occupation. Your occupation includes similar job positions with the employer which may be offered to you with a rate of pay 50% or greater of Your pre-disability earnings.

**HARTFORD LIFE AND ACCIDENT INSURANCE
COMPANY**
Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

Effective Date: January 1, 2004

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

With respect to All Active Full-time Employees, Your Booklet-certificate is amended as follows:

1. The Eligible Class(es) shown in the Schedule of Insurance of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:

Who is eligible for coverage?

Eligible Class(es):

All Active Full-time Associates as follows:

- (1) Hourly Field Logistics Associates, Hourly Field Supervisor positions in stores and clubs and Hourly Pharmacists not based in California, excluding Associates who are based in Puerto Rico.
- (2) Non-Puerto Rico Hourly Associates except Hourly Field Supervisor positions in stores and clubs, Hourly Field Logistics Associates and Hourly Pharmacists who are

Christine Hayer Repasy, Secretary

Thomas M. Marra, President

GR-2025(496)A-HLA BC 7461 5th Rev. (No. 2 Rev. 4) 3-'04

enrolled in a Weekly Disability Plan.

2. **The Full-time Employment shown in the Schedule of Insurance of the Short Term Disability portion of your booklet-certificate is amended to read as follows:**

Full-time Employment: 34 hours weekly

3. **The Weekly Benefit shown in the Schedule of Insurance of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:**

With respect to All Active Full-time On-Time Enrolled Associates:

The Weekly Benefit will be the lesser of:

- 50% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing within 12 months of enrollment date:

The Weekly Benefit will be the lesser of:

- 40% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing 12 months or later after enrollment date:

The Weekly Benefit will be the lesser of:

- 50% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees declined by Medical Underwriting with Disability Dates commencing less than or equal to 5 years after coverage effective date:
The Weekly Benefit will be the lesser of:

- 40% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees declined by Medical Underwriting with Disability Dates commencing more than 5 years after coverage effective date:
The Weekly Benefit will be the lesser of:

- 50% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

4. The Eligibility Waiting Period shown in the Schedule of Insurance of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:

Class 1:

When will You become eligible? (Eligibility Waiting Period)

You will be eligible for coverage on the date on which You complete a waiting period of 90 days of continuous service.

Class 2:

When will You become eligible? (Eligibility Waiting Period)

You will be eligible for coverage on the date on which You complete a waiting period of 180 days of continuous service.

5. The Eligible Class(es) shown in the Schedule of Insurance of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

Who is eligible for coverage?

Eligible Class(es):

All Active Full-time Associates as follows:

- (1) Hourly Pharmacists who work in California.
- (2) Hourly Field Logistics Associates, Hourly Field Supervisor positions in stores and clubs and Hourly Pharmacists not based in California, excluding Associates who are based in Puerto Rico.
- (3) Non-Puerto Rico Hourly Associates except Hourly Field Supervisor positions in stores and clubs, Hourly Field Logistics Associates and Hourly Pharmacists who are enrolled in a Weekly Disability Plan.

6. The Full-time Employment shown in the Schedule of Insurance of the Long Term Disability portion of your booklet-certificate is amended to read as follows:

Full-time Employment: 34 hours weekly

7. The Maximum Monthly Benefit and Benefit Percentage shown in the Schedule of Insurance of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

With respect to All Active Full-time On-Time Enrolled Associates:

Maximum Monthly Benefit: \$10,000

Benefit Percentage: 50%

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing within 12 months of enrollment date:

Maximum Monthly Benefit: \$6,667

Benefit Percentage: 40%

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing 12 months or later after enrollment date:

Maximum Monthly Benefit: \$10,000
Benefit Percentage: 50%

With respect to All Active Full-time Late Enrollees declined
by Medical Underwriting with Disability Dates commencing
less than or equal to 5 years after coverage effective date:

Maximum Monthly Benefit: \$6,667
Benefit Percentage: 40%

With respect to All Active Full-time Late Enrollees declined
by Medical Underwriting with Disability Dates commencing
more than 5 years after coverage effective date:

Maximum Monthly Benefit: \$10,000
Benefit Percentage: 50%

8. The Eligibility Waiting Period shown in the Schedule of
Insurance of the Long Term Disability portion of Your
Booklet-certificate is amended to read as follows:

Classes 1 & 2:

**When will You become eligible? (Eligibility Waiting
Period)**

You will be eligible for coverage on the first day of the month
following the date on which You complete a waiting period of
90 days of continuous service.

Class 3:

**When will You become eligible? (Eligibility Waiting
Period)**

You will be eligible for coverage on the first day of the month
following the date on which You complete a waiting period of
180 days of continuous service.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

Effective Date: June 1, 2003

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

With respect to All Active Full-time Employees, Your Booklet-certificate is amended as follows:

1. The Full-time Employment shown in the Schedule of Insurance of the Short Term Disability Portion of Your Booklet-certificate is amended to read as follows:

Full-time Employment:

An employee who works for the Policyholder on a regular basis in the usual course of the Policyholder's business and is listed in Wal-Mart's eligibility system as Full-time


2. The Full-time Employment shown in the Schedule of Insurance of the Long Term Disability Portion of Your Booklet-certificate is amended to read as follows:

Full-time Employment:

An employee who works for the Policyholder on a regular basis in the usual course of the Policyholder's business and is listed in Wal-Mart's eligibility system as Full-time



Christine Hayer Repasy, *Secretary*



Thomas M. Marra, *President*

**HARTFORD LIFE AND ACCIDENT INSURANCE
COMPANY**
Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

Effective Date: January 1, 2002

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

With respect to All Active Full-time Employees, Your Booklet-certificate is amended as follows:

1. The Eligible Class(es) shown in the Schedule of Insurance of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:

Who is eligible for coverage?

Eligible Class(es):

All Active Full-time Associates as follows:

- (1) Hourly Field Logistics Associates, Hourly Field Supervisor positions in stores and clubs and Hourly Pharmacists not based in California, excluding Associates who are based in Puerto Rico.

Christine Hayer Repasy *Z M. Ma*

Christine Hayer Repasy, Secretary

Thomas M. Ma, President

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(2) Non-Puerto Rico Hourly Associates except Hourly Field Supervisor positions in stores and clubs, Hourly Field Logistics Associates and Hourly Pharmacists who are enrolled in a Weekly Disability Plan.

2. The Full-time Employment shown in the Schedule of Insurance of the Short Term Disability portion of your booklet-certificate is amended to read as follows:

Full-time Employment: 34 hours weekly

3. The Weekly Benefit shown in the Schedule of Insurance of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:

With respect to All Active Full-time On-Time Enrolled Associates:

The Weekly Benefit will be the lesser of:

- 60% of your Weekly Earnings; or
- \$600;

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing within 12 months of enrollment date:

The Weekly Benefit will be the lesser of:

- 40% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing within 12 months or later after enrollment date:

The Weekly Benefit will be the lesser of:

- 60% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees declined by Medical Underwriting with Disability Dates commencing less than or equal to 5 years after coverage effective date:

The Weekly Benefit will be the lesser of:

- 40% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

With respect to All Active Full-time Late Enrollees declined by Medical Underwriting with Disability Dates commencing more than 5 years after coverage effective date:

The Weekly Benefit will be the lesser of:

- 60% of your Weekly Earnings; or
- \$600,

reduced by Other Income Benefits.

4. The Eligibility Waiting Period shown in the Schedule of Insurance of the Short Term Disability portion of Your Booklet-certificate is amended to read as follows:

Class 1:

When will You become eligible? (Eligibility Waiting Period)

You will be eligible for coverage on the date on which You complete a waiting period of 90 days of continuous service.

Class 2:

When will You become eligible? (Eligibility Waiting Period)

You will be eligible for coverage on the date on which You complete a waiting period of 180 days of continuous service.

5. The Eligible Class(es) shown in the Schedule of Insurance of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

Who is eligible for coverage?

Eligible Class(es):

All Active Full-time Associates as follows:

- (1) Hourly Pharmacists who work in California.
- (2) Hourly Field Logistics Associates, Hourly Field Supervisor positions in stores and clubs and Hourly Pharmacists not based in California, excluding Associates who are based in Puerto Rico.
- (3) Non-Puerto Rico Hourly Associates except Hourly Field Supervisor positions in stores and clubs, Hourly Field Logistics Associates and Hourly Pharmacists who are enrolled in a Weekly Disability Plan.

6. The Full-time Employment shown in the Schedule of Insurance of the Long Term Disability portion of your booklet-certificate is amended to read as follows:

Full-time Employment: 34 hours weekly

7. The Maximum Monthly Benefit and Benefit Percentage shown in the Schedule of Insurance of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

With respect to All Active Full-time On-Time Enrolled

Associates:

Maximum Monthly Benefit: \$10,000
Benefit Percentage: 60%

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing within 12 months of enrollment date:

Maximum Monthly Benefit: \$6,667
Benefit Percentage: 40%

With respect to All Active Full-time Late Enrollees approved through Medical Underwriting with disability dates commencing within 12 months or later after enrollment date:
Maximum Monthly Benefit: \$10,000
Benefit Percentage: 60%

With respect to All Active Full-time Late Enrollees declined by Medical Underwriting with Disability Dates commencing less than or equal to 5 years after coverage effective date:
Maximum Monthly Benefit: \$6,667
Benefit Percentage: 40%

With respect to All Active Full-time Late Enrollees declined by Medical Underwriting with Disability Dates commencing more than 5 years after coverage effective date:
Maximum Monthly Benefit: \$10,000
Benefit Percentage: 60%

8. The Eligibility Waiting Period shown in the Schedule of Insurance of the Long Term Disability portion of Your Booklet-certificate is amended to read as follows:

Classes 1 & 2:

When will You become eligible? (Eligibility Waiting Period)

You will be eligible for coverage on the first day of the month following the date on which You complete a waiting period of 90 days of continuous service.

Class 3:

When will You become eligible? (Eligibility Waiting Period)

You will be eligible for coverage on the first day of the month following the date on which You complete a waiting period of 180 days of continuous service.

**HARTFORD LIFE AND ACCIDENT INSURANCE
COMPANY**
Hartford, Connecticut
Endorsement

hourly
STD/4D

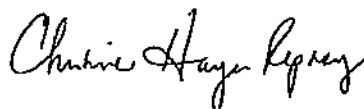
Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

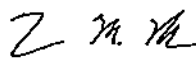
Effective Date: January 1, 2002

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

With respect to All Active Full-time Employees, the ERISA section of Your Booklet-certificate is amended to read as follows:



Christine Hayer Repasy, Secretary



Thomas M. Marra, President

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5-'02

ERISA

**The Following Important Notice
is Provided by Your Employer
for your Information Only.**

Conforming Instrument

For the purpose of meeting certain requirements of the Employee Retirement Income Security Act of 1974, the following information and the attached Claim Procedures and Statement of ERISA Rights are provided for use with your booklet-certificate to form the Summary Plan Description.

The benefits described in your booklet are provided under a group plan by the Insurance Company and are subject to the terms and conditions of that plan.

A copy of this plan is available for your review during normal working hours in the office of the Plan Administrator.

1. Plan Name

Group Short Term Disability and Long Term Disability Plan
for employees of WAL-MART STORES, INC.

2. Plan Number

501

3. Employer/Plan Sponsor

WAL-MART STORES, INC.
702 Southwest 8th Street
Bentonville, AR 72716

4. Employer Identification Number

71-0415188

5. Type of Plan

Welfare Benefit Plan providing Group Short Term Disability
and Long Term Disability.

6. Plan Administrator

WAL-MART STORES, INC.
702 Southwest 8th Street
Bentonville, AR 72716

7. Agent for Service of Legal Process

For the Plan:

WAL-MART STORES, INC.
702 Southwest 8th Street
Bentonville, AR 72716

For the Policy:

Hartford Life And Accident Insurance Company
200 Hopmeadow St.
Simsbury, CT 06089

In addition to the above, Service of Legal Process may be made on a plan trustee or the plan administrator.

8. **Sources of Contributions** – The Employer pays the premium for the insurance, but may allocate part of the cost to the employee. The Employer determines the portion of the cost to be paid by the employee.

9. **Type of Administration** – The plan is administered by the Plan Administrator with benefits provided in accordance with the provisions of the applicable group plan.

10. The Plan and its records are kept on a Policy Year basis.

11. **Labor Organizations**

None

12. **Names and Addresses of Trustees**

None

13. Plan Amendment Procedure

The Plan Administrator reserves full authority, at its sole discretion, to terminate, suspend, withdraw, reduce, amend or modify the Plan, in whole or in part, at any time, without prior notice.

The Employer also reserves the right to adjust your share of the cost to continue coverage by the same procedures.

Statement of ERISA Rights

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

1. **Receive Information About Your Plan and Benefits:**
 - a) Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
 - b) Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
 - c) Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

2. Prudent Actions by Plan Fiduciaries:

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

3. Enforce Your Rights:

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

4. Assistance with Your Questions:

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Claim Procedures for Disability Income Insurance Plans

1. Claims for Benefits:

If you would like to present a claim for benefits for yourself or your insured dependents, you should obtain a claim form(s) from your Employer or Plan Administrator. The applicable section of such form(s) should be completed by (1) you, (2) the Employer or Administrator and (3) the Attending Physician or hospital.

Following completion, the claim form(s) must be forwarded to the individual authorized to evaluate claims (Administrator or Insurance Company's Claim Representative). The individual authorized to evaluate claims will determine if benefits are payable and, if due, issue payment(s) to you.

The Insurance Company will make a decision no more than 45 days after receipt of your claim. The time for decision may be extended for two additional 30 day periods provided that, prior to any extension period, the Insurance Company notifies you in writing that an extension is necessary due to matters beyond the control of the plan, identifies those matters and gives the date by which it expects to render its decision. If your claim is extended due to your failure to submit information necessary to decide your claim, the time for decision shall be tolled from the date on which the notification of the extension is sent to you until the date we receive your response to our request.

The written decision will include: 1) specific reasons for the decision, 2) specific references to the plan provisions on which the decision is based, 3) a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary, 4) a description of the review procedures and time limits applicable to such procedures, 5) a statement that you have the right to bring a civil action under section 502(a) of ERISA after you appeal our decision and after you receive a written denial on appeal, and, 6)(A) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the denial, either (i) the specific rule, guideline, protocol or other similar criterion, or (ii) a statement that such a rule, guideline, protocol or other similar criterion was relied upon in making the denial and that a copy will be provided free of charge to you upon request, or (B) if denial is based on medical judgment, either (i) an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to your medical circumstances, or (ii) a statement that such explanation will be provided to you free of charge upon request.

2. Appealing Denial of Claims:

On any wholly or partially denied claim, you or your representative may appeal to us for a full and fair review. You may:

1. request a review upon written application within 180 days of the claim denial;
2. request, free of charge, copies of all documents, records, and other information relevant to your claim; and
3. submit written comments, documents, records and other information relating to your claim.

The Insurance Company will make a decision no more than 45 days after we receive your appeal. The time for decision may be extended for one additional 45 day period provided that, prior to the extension, the Insurance Company notifies you in writing that an extension is necessary due to special circumstances, identifies those circumstances and gives the date by which it expects to render its decision. If your claim is extended due to your failure to submit information necessary to decide your claim on appeal, the time for decision shall be tolled from the date on which the notification of the extension is sent to you until the date we receive your response to the request. The written decision will include specific references to the plan provisions on which the decision is based and any other notice(s), statement(s) or information required by applicable law.

HARTFORD LIFE AND ACCIDENT INSURANCE
COMPANY

Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

Effective Date: January 1, 2001

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

1. The Eligible Class as shown in the Plan of Insurance of the Long Term Disability portion of your booklet-certificate is amended to read as follows:

Eligible Class

All Active Full-time Associates as follows:

- (1) Managers earning \$50,000.00 or more per year, excluding Store Managers, Assistant Store Managers and Associates who are based in Puerto Rico
- (2) Office Management, Store Managers, Assistant Store Managers, Pilots and all other Active Full-time Salaried Associates, excluding Associates who are based in Puerto Rico
- (3) Hourly Pharmacists who work in California
- (4) Hourly Associates, except Hourly Pharmacists who work in California and Associates who are based in Puerto Rico, who are enrolled in a Weekly Disability Plan.

Blinda Hadlin
Credit Manager

[Signature]
Hartford Life and Accident Insurance Company

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2. The Eligible Classes as shown in the Plan of Insurance of the Weekly Disability Benefits portion of your booklet-certificate is amended to read as follows:

All Active Full-time Hourly Associates, excluding Associates who are based in Puerto Rico.

3. The provision regarding the Eligibility Waiting Period as shown in the Plan(s) of Insurance of both the Long Term Disability and Weekly Disability Benefits portions of your booklet-certificate is amended to include the following:

If you enroll for coverage more than 31 days after you are first eligible to do so, you will be required to meet a 12 month waiting period from the date you enroll. Coverage shall become effective on the first day of the pay period after meeting the 12 month waiting period, provided you have been actively at work for the previous 6 month period.

4. Any reference to evidence of insurability in both the Long Term Disability and Weekly Disability Benefits portions of your booklet-certificate is hereby deleted.

5. The provision regarding Benefit Percentage as shown in the Plan of Insurance of the Long Term Disability portion of your booklet-certificate is amended to read as follows:

Benefit Percentage: 60%

If you do not sign up for Long Term Disability coverage when first eligible, and if you are Disabled during your first five years of coverage, your benefit will be reduced to 40%. After 5 continuous years of coverage under the plan, the benefit level will increase to 60%.

7. The Weekly Disability Benefits paragraph in the Additional Provisions section of the Plan of Insurance of the Weekly Disability Benefits portion of your booklet-certificate is amended to read as follows:

WEEKLY DISABILITY BENEFITS

The Maximum Weekly Benefit shown in the preceding table will in no event exceed 60% of your average weekly earnings. If you do not sign up for Weekly Disability coverage when first eligible, and if you are Disabled during your first five years of coverage, your benefit will be reduced to 40%. After 5 continuous years of coverage under the plan, the benefit level will increase to 60%.

Your Weekly Disability Benefit Amount payable for any weekly period will be reduced by the sum of any payments you received for the same weekly period under any compulsory benefit act or law of any State or Territory.

If a Weekly Benefit is payable for less than a week, we will pay 1/7 of the Weekly Benefit for each day you were Disabled.

8. The STD Plus -Premium Contributions section of the Weekly Disability Benefits portion of your booklet-certificate is not available to you unless you enroll for Weekly Disability Benefits when you are first eligible to do so. Late entrants are not eligible for STD Plus.

LIFE AND ACCIDENT INSURANCE
COMPANY
Hartford, Connecticut
Endorsement

Policyholder: WAL-MART STORES, INC.

Group Policy No.: GRH/GLT-205215

Effective Date: January 1, 2000

This endorsement forms a part of your Booklet-certificate which describes the provisions of the group policy specified above.

The definition of Other Income Benefits as shown in the Definitions section of the Long Term Disability portion your booklet-certificate is amended to read as follows:

Other Income Benefits means the benefits shown below:

- (1) The amount of disability or annuity benefits from any:
 - (a) group insurance or pension plan;
 - (b) Railroad Retirement Act;
 - (c) plan or arrangement or coverage, whether insured or not, as a result of employment by or association with your employer or as a result of membership in or association with any:
 - (i) group;
 - (ii) association;
 - (iii) union; or
 - (iv) other organization; or
 - (d) plan provided by law.
- (2) Pension benefits that commence after the date of Disability and any disability based pension benefits.
- (3) The amount of benefits to which you are entitled under any:
 - (a) workers' compensation law;
 - (b) occupational disease law;

Bernada Hadden
Bernada Hadden, Secretary

[Signature]
Bernada Hadden, Secretary

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- (d) other act or law of like kind;
 (4) any damages or settlement (exclusive of fees and interest) which is made in lieu of workers' compensation benefits and paid to:
 (a) you;
 (b) your employer; or
 (c) a workers' compensation insurer;
 but only to the extent that any damages or settlement represent your loss of income.
 (5) The amount of disability or retirement benefits under the United States Social Security Act to which you and your spouse and children may be entitled because of your disability or retirement.
 (6) Portion of a settlement or judgment, minus associated costs of a lawsuit, that represents or compensates for your loss of earnings.

Other Income Benefits will include:

- (1) early retirement benefits if you so elect;
- (2) disability income benefits under a group life insurance plan regardless of whether you may or may not elect to apply for such benefits even though you are Disabled;
- (3) temporary and permanent disability benefits provided under any Workers' Compensation law or any other act or law of like intent; and
- (4) any "no-fault" automobile policy insurance plan.*

If you are paid Other Income Benefits in a lump sum, The Hartford will pro-rate the lump sum:

- (1) over the period of time it would have been paid if not paid in a lump sum; or
- (2) if such period of time cannot be determined, over a period of 60 months.

If you are Disabled and you receive Other Income Benefits in a lump sum, they will be considered Other Income Benefits regardless of any roll-over provision or election into any fund, plan or arrangement.

The Hartford may make a retroactive allocation of any retroactive Other Income Benefit payments.

Other Income Benefits will not include:

- (1) proceeds from any:
 - (a) source of personal investment income;

- obtained through a group-sponsored or employer-
owned program; or
- (c) Veteran's Administration Disability benefits.
 - (2) ~~benefits from military retirement pension plans;~~
 - (3) distribution from any form of profit sharing regardless of pre-tax or after-tax treatment as found under Section 401(k) of the Internal Revenue Code;
 - (4) proceeds or income from any:
 - (a) Individual- or employer- sponsored I.R.A., Individual Tax Sheltered Annuity, or any deferred compensation plan;
 - (b) Employee Stock Option Plan or any thrift plan;
 - (c) a partner or proprietor H.R. 10(Keough Plan) under the Self-Employed Individual Tax Retirement Act; or
 - (d) a capital account.
 - (5) Non-disability pension benefits.

* Not applicable to residents of Pennsylvania.

PART I

LONG TERM DISABILITY BENEFITS

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HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Hartford, Connecticut
(Herein called The Hartford)

CERTIFICATE OF INSURANCE

Under

Group Insurance Policies

GLT-205215 EFFECTIVE January 1, 1990

and

GLT-24554 EFFECTIVE September 1, 1988

Issued by

The Hartford

to

WAL-MART STORES, INC.

(Herein called The Policyholder)

This is to certify that The Hartford has issued and delivered the above named group insurance policies to the Policyholder.

The policies insure the associates who:

- are eligible for the insurance; and
- become insured; and
- continue to be insured;

according to the terms of the policies.

The terms of the policies which affect your insurance are contained in the following pages.

This Certificate of Insurance and the following pages will become your Booklet-certificate. This Booklet-certificate is a part of the policies.

This Booklet-certificate replaces any other which The Hartford may have issued to the Policyholder to give to you under the group policies specified above.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Lynda Godkin
Lynda Godkin, Secretary

Lowndes A. Smith
Lowndes A. Smith, President

GR-2025(302)A

PLAN OF INSURANCE

Eligible Class

All Active Full-time Associates as follows:

- (1) Managers earning \$50,000.00 or more per year, excluding Store Managers and Assistant Store Managers
- (2) Office Management, Store Managers, Assistant Store Managers, Pilots and all other Active Full-time Salaried Associates
- (3) Hourly Pharmacists who work in California.
- (4) Hourly Associates, except Hourly Pharmacists who work in California, who are enrolled in a Weekly Disability Plan.

Eligibility Waiting Period *

With respect to Class 4, the date on which you complete 90 days of continuous service in the eligible class.

With respect to All Other Classes, the date on which you enter the eligible class.

- * If you are a peak-time hourly Associate and your status is changed to full-time, you are eligible on the date you complete 90 days of continuous service as an Active Full-time Associate.

Benefit Percentage: 60%.

If you do not sign up for Long Term Disability coverage when first eligible, and if you are Disabled during your first year of coverage, your benefit will be reduced to 40%, and will remain at 40% for the duration of the claim.

Maximum Monthly Benefit: \$10,000.00

Minimum Monthly Benefit: \$50.00 for a maximum of 12 months.

Basis of Insurance: This insurance is provided on a Contributory Basis.

Elimination Period: With respect to associates in Classes 1-3 the latter of:

- (1) the first 90 days of any one period of Total Disability; or
- (2) the end of your Employer sponsored salary continuation program.

With respect to associates in Class 4, the latter of:

- (1) the first 6 months of any one period of Total Disability; or
- (2) the end of your Weekly Disability Benefits.

The benefits described herein are those in effect as of January 1, 2000.

Total Disability or Totally Disabled means that:

- (1) during the Elimination Period; and
- (2) for the next 12 months, you are prevented by:
 - (a) accidental bodily injury;
 - (b) sickness;
 - (c) Mental illness;
 - (d) substance abuse; or
 - (e) pregnancy,

from performing the essential duties of your occupation, and are under the continuous care of a Physician and as a result you are earning less than 20% of your Pre-disability Earnings, unless engaged in a program of Rehabilitative Employment approved by us.

After that, you must be so prevented from performing the essential duties of any occupation for which you are qualified by education, training or experience.

"Your occupation" includes similar job positions with the Employer which may be offered to you, with a rate of pay 60% or greater of your Indexed Pre-disability Earnings.

Partially Disabled means that you are prevented by Disability from doing all the material and substantial duties of your own or any occupation on a full-time basis, except that:

- (1) you are performing at least one of the material duties of your own occupation on either a full-time or part-time basis;
- (2) you are under the continuous care of a Physician; and
- (3) you are currently earning 20% to 80% less per month than your Indexed Pre-disability Earnings due to the same injury or sickness that caused the disability.

INTERPRETATION OF POLICY TERMS AND CONDITIONS

The Hartford has full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of the Group Insurance Policy.

DEFINITIONS

The terms listed, if used, will have these meanings.

You means the Insured Person to whom this booklet-certificate is issued.

Actively at Work

You will be considered to be actively at work with your Employer on a day which is one of your employer's scheduled work days if you are performing, in the usual way, all of the regular duties of your job on a full time basis on that day. You will be deemed to be actively at work on a day which is not one of your Employer's scheduled work days only if you were actively at work on the preceding scheduled work day.

Contributory Insurance means insurance for which you enroll and agree to pay all or part of the cost.

Active Full-Time Associate means an employee who works for the Policyholder on a regular basis in the usual course of the Policyholder's business. The associate must work the number of hours in the Policyholder's normal work week. With respect to associates in Classes 1 & 2, this must be at least 30 hours per week. With respect to associates in Classes 3 & 4 this must be at least 28 hours per week or 20 hours per week if hired prior to September 1, 1979.

Disability means any:

- (1) accidental bodily injury;
- (2) sickness; or
- (3) pregnancy.

Eligibility Waiting Period means the number of continuous days of service you must satisfy as an Active Full-Time Associate in a class eligible for insurance before your coverage under the policy becomes effective. See the Plan of Insurance for the Eligibility Waiting Period.

Elimination Period means the period of time you must be Totally Disabled before benefits become payable. See the Plan of Insurance for the Elimination Period.

Monthly Benefit means a monthly sum payable to you while you are Disabled, subject to the terms of this Plan.

Pre-existing Condition means any Disability, diagnosed or undiagnosed, for which you receive Medical Care during the 365 day period which ends on the day before:

- (1) your effective date of insurance; and
- (2) the effective date of a Change in Coverage.

All manifestations, symptoms or findings which result:

- (1) from the same or related Disability; or
 - (2) from any aggravations of Disability;
- are considered to be the same Disability for the purpose of determining a Pre-existing Condition.

Medical Care means care which is received when:

- (1) a Physician is consulted or medical advice is given; or
- (2) treatment is recommended or prescribed by, or received from a Physician.

Treatment, as used above, includes, but is not limited to:

- (1) any medical examinations, tests, attendance or observation;
- (2) any medical services, supplies or equipment, including their prescription or use; or
- (3) any prescribed drugs or medicines, including their prescription or use.

Physician means a legally qualified physician other than yourself, your spouse, father, mother, brother, sister, son or daughter who is practicing within the scope of his license.

Other Income Benefits means the benefits shown below:

- (1) The amount of disability, retirement, pension or annuity benefits from any:
 - (a) group insurance or pension plan;
 - (b) Railroad Retirement Act;
 - (c) plan or arrangement or coverage, whether insured or not, as a result of employment by or association with your employer or as a result of membership in or association with any:
 - (i) group;
 - (ii) association;
 - (iii) union; or
 - (iv) other organization; or
 - (d) plan provided by law.
- (2) The amount of benefits to which you are entitled under any:
 - (a) workers' compensation law;
 - (b) occupational disease law;
 - (c) unemployment compensation law; or
 - (d) other act or law of like intent.
- (3) Any damages or settlement (exclusive of fees and interest) which is made in lieu of workers' compensation benefits and paid to:
 - (a) you;
 - (b) your employer; or
 - (c) a workers' compensation insurer;but only to the extent that any damages or settlement represent your loss of income.
- (4) The amount of disability or retirement benefits under the United States Social Security Act to which you and your spouse and children may be entitled because of your disability or retirement.
- (5) Portion of a settlement or judgment, minus associated costs of a lawsuit, that represents or compensates for your loss of earnings.

Other Income Benefits will include:

- (1) early retirement benefits if you so elect;
- (2) disability income benefits under a group life insurance plan regardless of whether you may or may not elect to apply for such benefits even though you are Disabled;
- (3) temporary and permanent disability benefits provided under any Workers' Compensation law or any other act or law of like intent; and
- (4) any "no-fault" automobile policy insurance plan.*

If you are paid Other Income Benefits in a lump sum, The Hartford will pro-rate the lump sum:

- (1) over the period of time it would have been paid if not paid in a lump sum; or
- (2) if such period of time cannot be determined, over a period of 60 months.

If you are Disabled and you receive Other Income Benefits in a lump sum, they will be considered Other Income Benefits regardless of any roll-over provision or election into any fund, plan or arrangement.

The Hartford may make a retroactive allocation of any retroactive Other Income Benefit payments.

Other Income Benefits will not include:

- (1) proceeds from any:
 - (a) source of personal investment income;
 - (b) personal disability income plan, unless the plan is obtained through a group-sponsored or employer-related program; or
 - (c) Veteran's Administration Disability benefits.
- (2) benefits from military retirement pension plans;
- (3) distribution from any form of profit sharing regardless of pre-tax or after-tax treatment as found under Section 401(k) of the Internal Revenue Code;
- (4) proceeds or income from any:
 - (a) Individual- or employer- sponsored I.R.A., Individual Tax Sheltered Annuity, or any deferred compensation plan;
 - (b) Employee Stock Option Plan or any thrift plan;
 - (c) a partner or proprietor H.R. 10(Keough Plan) under the Self-Employed Individual Tax Retirement Act; or
 - (d) a capital account.

* Not applicable to residents of Pennsylvania.

- (6) the amount of any increase in benefits paid under any federal or state law, if the increase:
 - (a) takes effect after the date benefits become payable under the policy; and
 - (b) is a general increase which:
 - (i) is required by law; and
 - (ii) applies to all persons who are entitled to such benefits.

Salaried Employee means an Active Full-time Associate who:

- (1) does only tasks which are administrative, sales, clerical or supervisory; and
- (2) is paid by the employer on a regular salaried basis.

Non-Salaried Employee means an Active Full-time Associate who:

- (1) is paid by the hour; or
- (2) does not meet this Plan's definition of Salaried Employee.

Rehabilitative Employment means employment or service which:

- (1) prepares a Disabled person to resume gainful work; and
- (2) is approved, in writing, by The Hartford.

The term Rehabilitative Employment will include, when appropriate, any necessary and feasible:

- (1) vocational testing;
- (2) vocational training;
- (3) work-place modification;
- (4) prosthesis; and
- (5) job placement.

Monthly Income means the sum of:

- (1) your Monthly Rate of Basic Earnings; and
- (2) any disability benefits which were being paid before you became Totally Disabled, except any benefits:
 - (a) provided by the Policyholder's Employee Benefit Plan;
 - (b) paid by a personal policy; or
 - (c) received from the Veteran's Administration.

With respect to Office Management and Pilots:

Monthly Rate of Basic Earnings* means your regular monthly pay including bonuses, but not counting any other fringe benefit or extra compensation.

With respect to Full Time Managers, Assistant Managers, Store Managers and Assistant Store Managers:

Monthly Rate of Basic Earnings* means your current fiscal year's draw plus contract settlement paid or to be paid in the current fiscal year ending January 31 divided by 12.

With respect to all Hourly Associates:

Monthly Rate of Basic Earnings* means your total gross pay including bonuses and overtime for the past 52 weeks divided by 12.

* If you become Totally Disabled, your Monthly Rate of Basic Earnings will be the rate in effect on your last day as an Active Full-time Associate before becoming Disabled.

Current Monthly Earnings means the monthly earnings you receive from any employer or for any work, while Disabled and eligible for Partial Disability benefits under this Plan.

Indexed Pre-disability Earnings: means your Pre-disability Earnings adjusted annually by 7%. The first adjustment will take effect on the first July 1st to occur following one full calendar year during which you have been continuously Disabled. After this first adjustment, your Pre-disability Earnings will be increased by additional adjustment of 7% on each following July 1st, up to a maximum of 5 adjustments.

Pre-disability Earnings means your Monthly Rate of Basic Earnings in effect on the date immediately prior to becoming Totally Disabled.

Disabled means either Totally or Partially Disabled.

Totally Disabled: See the Plan of Insurance for the definition of Totally Disabled.

Partially Disabled: See the Plan of Insurance for the definition of Partially Disabled.

DATES OF ELIGIBILITY AND COVERAGE

Eligible Persons: All persons who are in the class or classes which are shown on the Plan of Insurance will be considered Eligible Persons.

When You Are Eligible: You will become eligible for coverage on either:

- (1) the Policy Effective Date, if you have completed the Eligibility Waiting Period; or if not
- (2) the date on which you complete the Eligibility Waiting Period.

See the Plan of Insurance for the Eligibility Waiting Period.

When You Are Insured — Contributory Insurance: Your coverage will begin on the earliest to occur of the following dates:

- (1) the date you become eligible, if you enroll or have enrolled by then if you are in Class 4;
- (2) the date on which you are eligible, if you enroll within 60 days after the date you are eligible if you are in class 1, 2 or 3; or
- (3) the first day of the pay period in which The Hartford approves evidence of insurability or on January 1st if you apply on or after the date Open Enrollment begins and are approved by The Hartford prior to January 1st. Evidence is required if you enroll after you become eligible if you are in class 4 or more than 60 days after you become eligible if you are in classes 1, 2 or 3. Any evidence of insurability must be furnished at your own expense.

If you become ineligible for insurance before you submit any required evidence of insurability to The Hartford, and you later become eligible, you will still be required to furnish such evidence.

All of the above dates are subject to the Deferred Effective Date provision below.

Deferred Effective Date: If you are absent from work due to Disability on the date your insurance would otherwise have become effective, your effective date will be deferred. Your insurance will not become effective until you return to active full-time work.

Enrollment: To enroll for insurance, you must:

- (1) complete and sign a group insurance enrollment card which is satisfactory to The Hartford; and
- (2) deliver it to the employer.

TERMINATION

Termination Date of Insurance

Your insurance will terminate on the earliest to occur of the following dates:

- (1) the date the policy terminates;
- (2) the date premium payment is due but not paid by the Policyholder or the employer;
- (3) the last day of the period for which you make any required premium contribution, if you fail to make any further required contribution;
- (4) the first day on which you receive benefits from a pension plan provided or sponsored by your employer;
- (5) the date your employment terminates. Your employment terminates on the date you cease to be an Active Full-time Associate in a class eligible for insurance.

Continuation of coverage during a leave of absence or layoff.

If you are granted an approved leave of absence or are temporarily laid off, the Employer may continue your insurance for 90 days following the date last worked, subject to the following:

- (1) the leave authorization must be in writing, or must be documented as a leave for military purposes;
- (2) your benefit level, or the amount of earnings upon which you benefits may be based, will be that in effect on the day before said leave commenced; and
- (3) such continuation will cease immediately if one of the following events should occur:
 - (a) the leave terminates prior the agreed upon date;
 - (b) the termination of the Group Insurance Policy;
 - (c) the Group Insurance Policy no longer insures your class.

No premium will be required during an approved leave of absence or layoff.

Continuation of Insurance

If you are Disabled and you cease to be an Active Full-time Associate, your insurance will be continued:

- (1) during the Elimination Period while you remain Totally Disabled by the same Disability; and
- (2) after the Elimination Period for as long as you are entitled to benefits under the policy.

During the period in which you are so entitled to benefits, no premium will be due for you.

Continuation during a family or medical leave

If you are granted a leave of absence according to the Family and Medical Leave Act of 1993, your Employer may continue your insurance for up to 12 weeks, or longer if required by state law, following the date your coverage would have terminated, subject to the following:

- (1) the leave authorization must be in writing;
- (2) the required premium for you must be paid;
- (3) your benefit level, or the amount of earnings upon which you benefits may be based, will be that in effect on the day before said leave commenced; and
- (4) such continuation will cease immediately if one of the following events should occur:
 - (a) the leave terminates prior the agreed upon date;
 - (b) the termination of the Group Insurance Policy;
 - (c) the non-payment of premium when due by the Policyholder or you or the employer;
 - (d) the Group Insurance Policy no longer insures your class.

Extension of Benefits

If you are entitled to benefits while Disabled and the policy terminates, benefits:

- (1) will continue as long as you remain Disabled by the same Disability, but
- (2) will not be provided beyond the date The Hartford would have ceased to pay benefits had the insurance remained in force.

Termination of the policy for any reason will have no effect on The Hartford's liability under this provision.

BENEFITS**Article 1. Benefit Payment Due to Disability**

You will be paid benefits if, while insured under the group policy, you:

- (1) become Totally Disabled;
- (2) remain Totally Disabled throughout the Elimination Period;
- (3) remain Disabled beyond the Elimination Period; and
- (4) submit proof of loss satisfactory to The Hartford.

Benefits accrue as of the first day after the Elimination Period and are paid monthly. No benefit will be paid for any day on which you are not under the care of a legally qualified Physician.

The Hartford will pay benefits until the first to occur of:

- (1) the date you are no longer Disabled;
- (2) the date you fail to furnish proof that you are continuously Disabled;
- (3) the date you refuse to be examined, if The Hartford requires an examination;
- (4) the date you die; or
- (5) the date determined from the table below.

MAXIMUM DURATION OF BENEFITS TABLE

Age When Totally Disabled	Benefits Payable
Prior to Age 62	To Age 65
Age 62	4 years
Age 63	3 ½ years
Age 64	3 years
Age 65	2 ½ years
Age 66	2 ¼ years
Age 67	2 years
Age 68	1 ¾ years
Age 69 or older	1 ½ years

Article 1.A Benefit Payment Due to Mental Illness or Substance Abuse

If you are Disabled because of:

- (1) Mental Illness that results from any cause;
- (2) any condition that may result from Mental Illness;
- (3) alcoholism; or

- (4) the non-medical use of:
 - (a) narcotics;
 - (b) sedatives;
 - (c) stimulants;
 - (d) hallucinogens; or
 - (e) any other such substance;

then, subject to all other provisions of this Plan, benefits will be payable only:

- (1) for so long as you are confined in a hospital or other place licensed to provide medical care for your Disability; or
- (2) when you are not so confined, a total of 24 months for all such disabilities during your lifetime.

Mental Illness means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations of psychological, behavioral or emotional disorders, but excluding demonstrable, structural brain damage.

Article 1.B Benefit Payment Due to Partial Disability

If you:

- (1) submit satisfactory proof to The Hartford that you are Partially Disabled within 31 days after the end of a period for which a Monthly Benefit was payable due to Total Disability; and
 - (2) this Partial Disability results from the same injury or sickness that caused the Total Disability,
- then a Monthly Benefit will continue to be payable according to the terms of this Plan.

Benefit payments under this provision will cease, however, on the first to occur of:

- (1) the date your Current Monthly Earnings exceed 80% of your Indexed Pre-disability Earnings;
- (2) one of the dates described in the third paragraph of Article 1., Benefit Payment Due to Disability; or
- (3) the date you return to work in an occupation other than your own. If benefits ceased due to this item (3), a benefit may still be payable according to Article 1.C, Benefit Payment Due to Rehabilitative Employment.

Article 1.C Benefit Payment Due to Rehabilitative Employment

If you are:

- (1) either Partially Disabled or Totally Disabled; and
 - (2) engaged in a program of Rehabilitative Employment,
- you will continue to be paid a Monthly Benefit. The Monthly Benefit, however, will be reduced by 50% of any income you receive from each month of Rehabilitative Employment.

The sum of your Monthly Benefit and total income received from a program of Rehabilitative Employment may not exceed 100% of your Pre-disability Earnings. If this sum exceeds your Pre-disability Earnings, the Monthly Benefit paid by The Hartford will be reduced proportionately.

The term Pre-disability Earnings as used in this Benefit means your Monthly Rate of Basic Earnings in effect on the day immediately prior to your becoming Disabled.

Article 2. Successive Periods of Disability

With respect to associates in classes 1, 2 and 3, attempts to return to work as an Active Full-time Associate during the Elimination Period will not interrupt the Elimination Period, if you are unable to continue working for more than an accumulated total of six months.

Any day you were Actively at Work will not count towards the Elimination Period.

With respect to associates in class 4, if you cease to be Totally Disabled and return to work for a total of 30 days or less during an Elimination Period, the Elimination Period will not be interrupted or extended.

Except for the 30 days or less you work, you must be Totally Disabled by the same condition for the total Elimination Period.

After the Elimination Period, when a return to work as an Active Full-time Associate is followed by recurrent Disability, and such Disability is:

- (1) due to the same cause; or
- (2) due to a related cause; and
- (3) within 6 months of return to work,

the Period of Disability prior to your return to work and the recurrent Disability will be considered one Period of Disability, provided the Group Insurance Policy remains in force.

If you return to work as an Active Full-time Associate for 6 months or more, any recurrence of a Disability will be treated as a new Disability. Another Elimination Period must be met.

The term "Period of Disability" as used in this provision means a continuous length of time during which you are Disabled under this Plan.

See the Plan of Insurance for the Elimination Period that applies to you.

Article 3. Calculation of Monthly Benefit

To determine the Monthly Benefit The Hartford will pay each month while you are Disabled:

- (1) Multiply your Monthly Income by the Benefit Percentage;
- (2) Take the lesser of:
 - (a) the resulting product; or
 - (b) the Maximum Monthly Benefit;

- (3) Carry forward the amount in item (2) above and from it subtract:
- (a) all Other Income Benefits, including those for which you could collect but did not apply;
 - (b) 50% of income from Rehabilitative Employment; and
 - (c) all other income from any employer or for any work.

In no event will the benefit payable be less than the Minimum Monthly Benefit shown in the Plan of Insurance.

The resulting sum will be your Monthly Benefit.

If a Monthly Benefit is payable for less than a month, The Hartford will pay 1/30 of the Monthly Benefit for each day you were Disabled.

See the Plan of Insurance for the Benefit Percentage factor and Maximum Monthly Benefit.

See Definitions, on pages 6 and 8 for the meanings of Monthly Income and Other Income Benefits.

Article 3.A Calculation of Monthly Benefit Due to Partial Disability

If you are Partially Disabled and are currently earning less than 80% of your Indexed Pre-disability Earnings, the following calculation is used to determine your Monthly Benefit:

$$(A \text{ divided by } B) \times C = D$$

where

A = Your Indexed Pre-disability Earnings less your Current Monthly Earnings.

B = Your Indexed Pre-disability Earnings.

C = The Monthly Benefit payable if you were otherwise Totally Disabled. (Disregard all other income from any employer or for any work when determining this figure.)

D = The Partial Disability payable.

If a Monthly Benefit is payable for less than a month, The Hartford will pay 1/30 of the Monthly Benefit for each day you were Disabled.

Article 4. Change in Coverage

Change in Class or Monthly Rate of Basic Earnings

Your coverage may increase or decrease on the date there is a change in your class or Monthly Rate of Basic Earnings.

No increase in coverage will be effective unless on that date you:

- (1) are an Active Full-time Associate; and
- (2) were not absent from work due to Disability during the 30 day period before the change in class or earnings.

A change in your Rate of Basic Earnings will become effective on the date The Hartford receives notice of change.

Change in the Plan of Insurance

Any decrease in coverage because of a change in this Plan of Insurance will become effective on the date of the change.

Any increase in coverage because of a change in this Plan of Insurance will become effective on the date of the change, subject to the following limitations:

- (1) If you are absent from full-time work due to Disability, the increase will not become effective until you return to work as an Active Full-time Associate.
- (2) If you are Disabled due to or contributed to by a Pre-existing Condition which commenced prior to the increase, the increase will not become effective unless such Disability begins:
 - (a) after the last day of 365 consecutive days while insured on a full-time basis during which you did not receive Medical Care for the Pre-existing Condition; or
 - (b) after the last day of a 730 consecutive day period during which you were continuously insured on a full-time basis under this Plan.

Article 5. Survivor Income Benefit

If you die:

- (1) after having met the Elimination Period shown on this Plan of Insurance; or
- (2) while receiving benefits under this Plan, then a lump sum of \$5,000.00 gross:
 - (1) that would have been paid to you; or
 - (2) that was paid to you,

will be payable to your surviving Spouse.

If there is no surviving Spouse then benefits will be payable to your surviving children, in equal shares.

If there is are no surviving Spouse or Children, then benefits will be payable to your estate.

If a minor Child is entitled to benefits, it is The Hartford's option to make benefit payments to the person caring for and supporting the Child until a legal guardian is appointed.

The following terms apply to Survivor Income Benefits:

- (1) Spouse means your wife or husband who:
 - (a) is mentally competent; and
 - (b) was not legally separated from you at the time of your death.
- (2) Children means your children, step-children, legally adopted children and foster children.

EXCLUSIONS

Exclusions

This Plan does not cover and no benefit will be payable for any disability which:

- (1) is caused by your commission of or attempt to commit:
 - (a) assault;
 - (b) battery; or
 - (c) felony;
- (2) due to:
 - (a) war;
 - (b) any act of war (declared or not);
 - (c) insurrection;
 - (d) rebellion;
 - (e) your taking part in a riot or civil disorder; or
- (3) due to or contributed to by a Pre-existing Condition.

Pre-existing Conditions Limitations

The following will apply to Exclusion (3): No benefit will be payable under this Plan for any Disability that is due to, contributed to by, or results from a Pre-existing Condition, unless such Disability begins:

- (1) after the last day of 365 consecutive days while insured under this Plan on a full-time basis during which you did not receive Medical Care for the Pre-existing Condition; or
- (2) after the last day of a 730 consecutive day period during which you were continuously insured on a full-time basis under this Plan.

CLAIMS

Notice of Claim

You must give The Hartford written notice of claim within 30 days after the loss happens or starts. If notice cannot be given with that time, it must be given as soon as possible. Such notice must include your name, your address and the policy number.

Claim Forms

When The Hartford receives a notice of claim, you will be sent forms for providing The Hartford with proof of loss. The Hartford will send these forms within 15 days after receiving a notice of claim.

If The Hartford does not send the forms within 15 days, you may submit any other written proof which fully describes the nature and extent of your claim.

Proof of Loss

Written proof of loss must be sent to The Hartford within 90 days after the start of the period for which The Hartford owes payment. After that, The Hartford may require further written proof that you are still Disabled. If proof is not given by the time it is due, it will not affect the claim if:

- (1) it was not possible to give proof within the required time; and
- (2) proof is given as soon as possible; but
- (3) not later than 1 year after it is due, unless you are not legally competent.

The Hartford has the right to require, as part of proof of loss:

- (1) your signed statement identifying all Other Income Benefits; and
- (2) proof satisfactory to The Hartford that you and your dependents have duly applied for all Other Income Benefits which are available.

After submitting proof of loss, you will be required to apply for Social Security disability benefits. If the Social Security Administration denies your eligibility for any such benefits, you will be required to follow the process established by the Social Security Administration to reconsider denial and, if denied again, to request a hearing before an Administration Law Judge of the Office of Hearing and Appeals.

The Hartford reserves the right to determine if proof of loss is satisfactory.

You will not be required to claim any retirement benefits which you may only get on a reduced basis.

Payment of Claims

All payments are payable to you. Any payments owed at your death may be paid to your estate. If any payment is owed to:

- (1) your estate;
- (2) a person who is a minor; or
- (3) a person who is not legally competent;

then The Hartford may pay up to \$1,000 to any of your relatives who is entitled to it in the opinion of The Hartford. Any such payment shall fulfill The Hartford's responsibility for the amount paid.

Time Payment of Claims

If written proof of loss is furnished, accrued benefits will be paid at the end of each month that you are Disabled.

If payment for a part of a month is due at the end of the claim, it will be paid as soon as written proof of loss is received.

Appeal of Claims Denied

If a claim for benefits is wholly or partly denied, you will be furnished with written notification of the decision. This written decision will:

- (1) give the specific reason(s) for the denial;
- (2) make specific reference to the policy provisions on which the denial is based;
- (3) provide a description of any additional information necessary to prepare a claim and an explanation of why it is necessary; and
- (4) provide an explanation of the review procedure.

On any denied claim, you or your representative may appeal to The Hartford for a full and fair review.

You may:

- (1) request a review upon written application within 60 days of the claim denial;
- (2) review pertinent documents; and
- (3) submit issues and documents in writing.

A decision will be made by The Hartford no more than 60 days after the receipt of the request, except in special circumstances (such as the need to hold a hearing), but in no case more than 120 days after the request for review is received.

The written decision will include specific reference to the policy provisions on which the decision is based.

Legal Actions

Legal action cannot be taken against The Hartford:

- (1) sooner than 60 days after due proof of loss has been furnished; or
- (2) after the shortest period allowed by the laws of the state where the policy is delivered. This is 3 years after the time written proof of loss is required to be furnished according to the terms of the policy.

Physical Examination

The Hartford may have you examined to determine if you are Disabled. Any such examination will be:

- (1) at The Hartford's expense; and
- (2) as reasonably required by The Hartford.

Our subrogation rights.*

If you:

- (1) suffer a Disability because of the act or omission of a third party;
- (2) become entitled to and are paid benefits under the Group Insurance Policy in compensation for lost wages; and
- (3) do not initiate legal action for the recovery of such benefits from the third party in a reasonable period of time,

then we will be subrogated to any rights you may have against the third party and may, at our option, bring legal action to recover any payments made by us in connection with the Disability.

* Not applicable to residents of Minnesota, Missouri, North Carolina or Virginia.